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MACROECONOMIC POLICY QUESTIONS: TRADE AND DEVELOPMENT

Letter dated 7 November 1996 from the Permanent Representative of Uruguay to the United Nations addressed to the Secretary-General

I have the honour to refer to the Third Meeting of Government Officials Responsible for Trade Policy in Latin America and the Caribbean, jointly organized by the secretariats of the Latin American Integration Association (LAIA), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Latin American Economic System (SELA), which was held in Montevideo at the headquarters of LAIA.

I should be grateful if the final report of this meeting, which is annexed, could be circulated as a document of the General Assembly, under agenda item 94 (c).

(Signed) Jorge PEREZ OTERMIN
Ambassador
Permanent Representative

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ANNEX

Final report of the Third Meeting of Government Officials Responsible for Trade Policy in Latin America and the Caribbean, held in Montevideo on 25 October 1996

I. INTRODUCTION

1. The Third Meeting of Government Officials Responsible for Trade Policy in Latin America and the Caribbean, jointly organized by the secretariats of the Latin American Integration Association (LAIA), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Latin American Economic System (SELA), was held on 21 October 1996 at LAIA headquarters in Montevideo.

2. High-level delegations from the 22 States members of SELA participated in the meeting, as well as the Secretary-General of the Association of Caribbean States, the acting Secretary-General of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), the head of the special division for trade of the Organization of American States (OAS), the United Nations Development Programme (UNDP) regional representative for Latin America and the Caribbean, the adviser of the United Nations Conference on Trade and Development (UNCTAD) and the directors of the Caribbean Community (CARICOM) and of the organizations co-sponsoring the event.

3. At the opening meeting, statements were made by the Secretary-General of LAIA, Ambassador Antonio Antúnes, the head of the International Trade, Development Financing and Transport Division of ECLAC, Dr. Vivianne Ventura-Dias, and the Permanent Secretary of SELA, Ambassador Carlos J. Moneta.

4. The Director-General of Foreign Trade of the Republic of Uruguay, Contadora Graziella Bonfiglio, was elected Chairman of the meeting, and the Assistant Secretary for Technical Matters of the Office of the President of the Dominican Republic, Dr. Federico Alberto Cuello C., Rapporteur. The Chairman was later replaced by Dr. Carlos Amorin of the delegation of Uruguay.

5. During the meeting, reports were submitted and statements made by the representatives of the secretariats of LAIA, ECLAC and SELA, and by the representatives of Peru, Costa Rica and Chile, as chairmen of the working groups of the Free Trade Area of the Americas (ALCA) on policies regarding competition, trade and investment, and trade in services, respectively.

6. The representative of OAS provided information about the activities of the working groups of ALCA.

7. The Chairman and Rapporteur were requested to draft this report.

8. The following points were highlighted as a result of the debate:

II. CONCLUSIONS

1. The participating delegations confirmed the importance of continuing to hold meetings of officials responsible for trade policy in Latin America and the Caribbean as often as necessary and reaffirmed the validity of the conclusions resulting from the second meeting, held at SELA headquarters in Caracas on 8 February 1996.

2. In analysing the process of the convergence of regional integration with hemisphere-wide and multilateral negotiations, attention was drawn to the scope of trade policy topics, which was expanding to include aspects other than the market access of goods. The new multidisciplinary character of the negotiations reinforced the need to have better inter-agency coordination within Governments in defining negotiating positions and to give priority to initiating a new round of negotiations on current and emerging topics. There was also a need to strengthen the regulatory capacity of Governments to enable them to fulfil their commitments.

3. In the hemisphere, it was noted that the formation of the Free Trade Area of the Americas was at the preparatory stage of sharing information through the activities of 11 working groups. Appropriate coherence must be maintained in the positions to be taken on the topics involved, given that parallel negotiations were being held on those topics at the subregional, regional and multilateral levels.

4. In assessing the multilateral agenda, consideration was given to the role of the World Trade Organization (WTO) in monitoring compliance with the agreements and implementing the results of the Uruguay Round through the established institutional mechanisms and notification procedures.

5. Delegations reiterated the need to comply with the commitments entered into and to closely monitor the compliance of developed countries. They stressed, in particular, the need to remove agricultural subsidies, incorporate the textiles trade, increase the participation of developing countries in trade in services (art. IV of the General Agreement on Trade in Services (GATS)) and implement the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Countries, contained in the Final Act of Marrakesh. Delegations also rejected attempts to reduce the transition periods for developing countries, especially with respect to intellectual property. Moreover, the development of the proposed agenda concerning agriculture, services, trade and environment required preparatory work, national assessments and the identification of challenges and opportunities for each country.

6. The regional, hemisphere-wide and multilateral aspects of the three specific topics - policies regarding competition, trade and investments, and trade in services - were also considered.

7. With respect to competition policies, the lack of relevant legislation in the majority of the countries of the region was highlighted as well as the disparities as far as a competitive culture was concerned. There was consensus on the need for individual countries to work towards the adoption of a set of

rules on competition, introducing new laws and strengthening the institutional capacity of Governments. In that connection, it was recommended that the areas of complementarity identified at the hemisphere-wide level should be taken into account and that the technical cooperation activities of UNCTAD, SELA and other bodies should be promoted. Delegations expressed support for ongoing work at the hemisphere-wide and multilateral levels, especially since such work was linked to trade in services, liberalization of investments and agreements on unfair trade practices. In that connection, views were exchanged on the proposal to establish a working group within WTO at the Singapore ministerial-level meeting.

8. The discussions on trade and investments revealed the high level of consensus among countries of the hemisphere on the role of foreign investments in economic and technological development, which is reflected in the considerable convergence of view that could be seen in domestic laws, subregional agreements and exceptions. In that regard, views were exchanged on the establishment of a WTO working group to study the relationship between trade and investments and gather information on technology transfer, investment promotion and investment incentives at the global level.

9. With regard to trade in services, information was exchanged on hemisphere-wide and multilateral negotiations within the frame-work of WTO, stressing the need for transparency and for the active participation of Latin America and the Caribbean in the ongoing WTO working groups. In that connection, some delegations noted with concern the lack of satisfactory results from the post-Uruguay Round negotiations concerning maritime transport, financial services, the movement of individuals and basic telecommunications. Reference was made to the proposal made in WTO to promote a process of information-sharing prior to the resumption of negotiations in the year 2000, with particular emphasis on compliance with article IV of GATS by the developed countries.

10. The LAIA/ECLAC/SELA working group was unanimously requested to distribute the working documents for meetings in English and Spanish a month in advance.

11. Delegations welcomed the proposal to hold the fourth meeting at ECLAC headquarters in Santiago, Chile, in early September 1997.